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BERMUDA

Working paper prepared by the Secretariat

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BERMUDA 1/

I. GENERAL

1. Bermuda is located in the western part of the Atlantic Ocean about 917 kilometres east of Cape Hatteras on the North Carolina coast of the United States of America.

2. The Territory has a total area of 53.35 square kilometres and consists of 150 islands and islets extending from north-east to south-west along the edge of an extinct, submarine volcano. Most of the islands are inhabited and rise above sea level to an average height of 30 metres and a maximum elevation of 86 metres. The terrain is generally hilly, with fertile depressions and some marshy areas. The largest island is about 22.5 kilometres long and has a maximum width of 3.2 kilometres. It covers an area of about 3,650 hectares, consisting mostly of a fertile shallow valley. About one tenth of the total land area is currently leased to the United States Government for military bases.

3. There are no freshwater lakes or rivers in Bermuda. The climate is generally mild and humid, with a mean annual temperature of 21 degrees centigrade. It is influenced by the presence of the Gulf Stream nearby, which warms both the water and the air, thus permitting the unique existence of coral animals in such northern latitudes. The average depth of soil throughout the islands is about 10 centimetres. The soil consists mainly of shell-bearing coral sands of a reddish brown colour. The average annual rainfall is 1,470 millimetres. The hurricane season runs from June to November. Although Bermuda had not been seriously affected by hurricanes for nearly a quarter of a century previously, it did suffer damage from hurricanes in 1987 and 1989.

4. A census of population and housing conducted in 1991 showed that Bermuda's civilian, non-institutional population had increased by 8 per cent over an 11-year period, to 58,460. While Bermudians accounted for 6 per cent of that growth, the non-Bermudian population grew by 17 per cent. 2/

5. The racial balance of the population of the Territory remained largely unchanged over the intercensal period. Persons of African descent accounted for 58 per cent of the population, persons of European descent comprised 36 per cent, Asians totalled 1 per cent, and the remaining 5 per cent were of mixed racial origin and/or other racial groups. 2/

II. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS

A. General

6. The Constitution of the Territory, adopted in June 1968 and amended in 1973, 1979 and 1989, contains provisions relating to the protection of fundamental rights and freedoms of the individual; the powers and duties of the Governor; and the composition, powers and procedure of the Legislature, the Executive, the Judiciary and the public service.

7. The Government of Bermuda consists of a Governor, a Deputy Governor, a Cabinet and a bicameral Legislature comprising a Senate and a House of Assembly. The Governor, appointed by the Queen, is responsible for defence, external affairs, internal security and the police. The Governor may delegate some responsibilities in these areas to the Bermuda Government. In exercising his reserved powers, the Governor is required to consult with the Governor's Council, of which he is Chairman, and of which the Premier and two or three Cabinet ministers nominated by the Premier are members. The Premier and his Cabinet, through the Legislature, have full responsibility for the Government, except where restricted by the Governor's reserved powers. The Secretary of the Cabinet, appointed by the Governor in accordance with a recommendation of the Premier, heads the public service and acts as Secretary to the Governor's Council.

8. Information on the most recent constitutional developments has been given in a previous working paper (A/AC.109/1025).

9. It was reported in April 1992 that the then Governor, Sir Desmond Langley, would be replaced by Lord Waddington, a former British Home Secretary and Conservative Leader in the House of Lords. 3/ Lord Waddington would be sworn in as Governor on 26 August 1992. 4/

10. On 7 November 1992, at the opening session of the Legislature, the Governor delivered the Speech from the Throne which outlined policies of the territorial Government as well as programmes to be implemented in the coming year. 5/

B. Political parties and elections

11. There are three political parties in the Territory: the United Bermuda Party (UBP), which is the governing party, the National Liberal Party (NLP) and the Progressive Labour Party (PLP). The last general elections were held in 1989.

12. According to press reports in September 1992, Sir John Swan, Premier of Bermuda and leader of UBP, stated that he would almost certainly lead the country to the polls well in advance of February 1994, when the life of the Parliament ends. 6/ In preparation for general elections, Mr. Frederick Wade, Leader of the Opposition and of PLP, outlined his party's platform in the course of his reply to the Throne Speech. 7/ It was also reported that NLP had released its platform in an information booklet. 8/

13. In July 1992, a motion aimed at ending Bermuda's present system of annual voter registration was defeated in the House of Assembly. The proposal advanced by PLP required voters to register every seven years. 9/

C. Future political status

1. Position of the territorial Government

14. It was reported previously that a PLP Member of Parliament had called for the question of independence to become an issue in the next general election, declaring that it was "a total anachronism that we should be seen as a colony" (A/AC.109/1102, para. 13).

15. In response, the Premier of the Territory was reported to have stated that he remained unconvinced that the majority of Bermudians wanted independence and added that his party (UBP) would not pursue the issue of independence as yet. He further stated that "when we are satisfied that there is a wish of the majority of people in Bermuda for independence then we will follow their wishes. At present we are not convinced that this is the case" (A/AC.109/1102, para. 14).

16. In 1988, the results of a telephone poll conducted by a firm in the United States for The Royal Gazette, a local newspaper, showed that 80 per cent of Bermudians were against independence. 10/

17. It was reported that in May 1992, supporters of UBP raised the issue of independence at a forum held prior to a UBP primary election. A party official responded by noting that an overwhelming number of Bermudians did not support independence, and that there was a need for public education on the subject. 11/

2. Position of the administering Power

18. In his statement before the Fourth Committee of the General Assembly on 19 October 1992, the representative of the United Kingdom said that the guiding principle of the British Government's policy was that the wishes of the people living in dependent Territories were of primary importance. His Government continued to take most seriously its obligations under the Charter of the United Nations to develop self-government in its dependent Territories and to act in cooperation with the locally elected Governments to ensure that their constitutional frameworks continued to meet the wishes and aspirations of their peoples. The United Kingdom took a similar approach in responding to the economic needs of its dependent Territories. 12/

3. Action taken by the General Assembly

19. On 25 November 1992, the General Assembly adopted resolution 47/27, a consolidated resolution on 10 dependent Territories, a section of which was specifically devoted to Bermuda (resolution 47/27 B III). In this resolution, the Assembly requested the administering Power to assist the territorial Government in the implementation of its programme of Economic Stability and Responsible Management, with a view to reducing the impact of the recession on the economy of the Territory and the unprecedented increase in unemployment; called upon the administering Power to continue to take all necessary measures, in cooperation with the territorial Government, to counter problems related to drug trafficking; also called upon the administering Power to ensure that the

presence of military bases and installations in the Territory would not constitute an obstacle to the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples, nor hinder the population of the Territory from exercising its right to self-determination and independence in conformity with the purposes and principles of the Charter of the United Nations; and further called upon the administering Power to facilitate the dispatch of a United Nations visiting mission to the Territory.

D. External relations

20. Following the appointment of Lord Waddington as Governor, Sir John Swan, the Premier, is reported to have stated that the newly designated Governor could help the Territory to establish stronger ties with the United Kingdom and the European Community. 13/

21. It was reported in January 1993 that the United States Consul General who had served in the Territory since 1988 was being replaced. The outgoing Consul General is reported to have dismissed a suggestion that the relationship between the United States and Bermuda was at a historic turning-point. According to him, the close relationship between the United States and Bermuda, which had existed even before the United States base was built, would continue, although future United States domestic policy might have an impact on the base and on international business. 14/

E. Public service

22. In his Throne Speech of 7 November 1992, the Governor said that the territorial Government was committed to improving its productivity and efficiency. The freeze on new positions within the Government, which had been in effect for two years, would be extended for another year. Also, every request for filling existing posts would be subject to detailed scrutiny. 5/

III. MILITARY INSTALLATIONS

23. Canada, the United Kingdom and the United States maintain military installations in Bermuda. Canada has, however, announced its intention to cease its military operations on 1 May 1993 and, on 31 December 1993, to close the base which it has maintained for 29 years. 15/

24. In the Throne Speech, the Governor announced that a committee comprised of a broad cross-section of Bermudians had been appointed to examine the ramifications of the reduction in military presence in the Territory. 5/

25. Information relating to military activities in the Territory is set out in document A/AC.109/1144.

IV. ECONOMIC CONDITIONS

A. General

26. Bermuda has no natural resources in the conventional sense upon which to build a viable economy. Over the years, however, it has capitalized on its location and scenic beauty and has developed a thriving tourist industry which accounts for about 45 per cent of the Territory's foreign exchange earnings. The international-business industry also makes an important contribution to the economy of the Territory, accounting for 33 per cent of its foreign currency earnings. Foreign exchange is also earned from exports (5 per cent), shipping (3 per cent), investment income (6 per cent), unrequited private transfers (0.5 per cent) and other goods and services (7.5 per cent).

27. The manufacturing and agriculture sectors in the Territory are limited. Local manufacturing industries include printing, fish processing and ship repair, as well as the manufacture of paint and pharmaceutical products. In recent years, there have been attempts to attract high-technology firms to Bermuda, in an effort to develop a centre for computer technology in the Territory and to increase business for locally based computer companies. Agricultural activity is constrained by the small amount of land available for farming (see para. 69).

28. In his speech from the Throne, the Governor stated that both tourism and international business, the twin pillars of the economy, had been adversely affected by the global recession. In its effort to soften the impact of the economic downturn which had led to significant unemployment, the territorial Government had directed its limited resources to providing support and assistance to those persons who were severely affected. It had implemented a number of schemes and projects designed to provide meaningful employment and had accelerated many of its minor capital projects in order to stimulate the construction industry, in particular, and the economy, in general. Since the recession had adversely affected government revenues, it had been necessary to reduce some programmes. Unless there was marked improvement in the overall economic situation, the Governor added, further cuts might be necessary. 5/

29. The Governor also stated that the territorial Government remained committed to its programme of economic stability and responsible management and that, although the recession had provided a challenge, implementation of the Government's long-term plans should ensure an orderly progression towards renewed growth. 5/

30. In a statement to the press in November 1992, the Premier of Bermuda is reported to have said that the main objective of his Government was to strengthen the economy. In pursuit of that endeavour, his Government would seek to enhance the existing financial service business and the tourist industry. 16/

31. During the period under review, both tourism and international business were adversely affected by the global recession. In its annual report, the Bermuda Monetary Authority reported that during 1991, the Territory had registered its lowest level of tourism-generated income since 1989. It had also registered its lowest growth in the registration of local and international

companies, in credit and in retail sales since 1988, 1988 and 1985, respectively. 9/

32. The per capita income of Bermuda is reported to be B$ 27,000, 17/ the highest in the hemisphere. 18/ According to the 1991 census figures, the average household income in Bermuda increased by 16.4 per cent between 1980 and 1991, while inflation increased by 16.6 per cent over the same period. 19/

33. The rate of inflation remained at 3.1 per cent during a one-year period ending in November 1992, according to the Bermuda Department of Statistics. Although there were reportedly some price increases, the Government had helped to keep the inflation rate down by containing costs and by wage settlements. 20/

34. In December 1992, the Department of Statistics released data which showed that between July and September 1992, retail sales had decreased for a third consecutive quarter. 21/

B. Public finance

35. According to the Minister for Finance, although the Government had been anticipating a current account surplus of almost B$ 26 million at the end of fiscal year 1992/93, a revenue shortfall of B$ 19 million would reduce the surplus to B$ 7 million. The reduction in revenue was mainly a result of a decline in customs duty receipts and an increase in social costs stemming from the recession. In order to counter the losses, the Government had ordered its departments to reduce spending. 22/

36. In its 1991 report, the Bermuda Monetary Authority showed that Bermuda ran a provisional current account deficit of B$ 15 million for 1991, compared to a deficit of B$ 24 million in 1990. The improvement was attributed to a number of factors, including a lower level of imports, down from B$ 545 million in 1990 to B$ 456 million in 1991; a B$ 6 million reduction in shipping and other transportation payments; and a B$ 8 million decline in transfers, which largely comprised cash gifts and funds transferred under wills and intestacies as well as payments made in connection with pensions and court orders. 9/

37. In August 1992, the Government's Department of Statistics released data which showed that during 1991 exports brought in B$ 50 million, a decrease of B$ 11 million from the 1990 figure. 23/

38. The Department of Statistics also reported that for the first nine months of 1992, government receipts totalled B$ 259 million, compared to B$ 339.5 million for the same period in 1991. During the same period, expenditure increased by B$ 7 million. 20/

39. According to the Bermuda Monetary Authority, revenue generated by tourism during 1991 decreased by B$ 36 million to B$ 454 million, reflecting a decline in Bermuda's most important industry. Revenue earned by international business also declined by B$ 9 million in 1991, to B$ 334 million. 9/

40. The Bermuda Monetary Authority recorded a profit of B$ 2.5 million for fiscal year 1991/92, down 39 per cent from the previous year. The decrease in

profit was due mainly to a 24 per cent reduction in investment income, from B$ 5.9 million in 1990 to B$ 4.5 million in 1991. Total revenue declined from B$ 6.4 million to B$ 4.9 million, while expenses rose from B$ 2.3 million to B$ 2.4 million. 9/

C. Banking

41. During the period under review, both the Bank of Bermuda and the Bank of N. T. Butterfield and Son reported increased profits for fiscal year 1992 over the previous year. Although there was very little growth in the banks' domestic operations, owing to a decline in local consumer expenditure, both banks reported that in addition to strong performances by trust and overseas operations, cost-cutting measures had helped to contribute to their profits. Whereas the Bank of Butterfield reported that its overseas operations accounted for more than 20 per cent of its income, the Bank of Bermuda reported that its overseas revenue accounted for 36 per cent of the bank's total revenue, the same as in 1991. The Bank of Butterfield and the Bank of Bermuda registered a profit of B$ 26.9 million and B$ 28.4 million, respectively, for 1992. 24/

42. Despite the slower growth of deposits, in August 1992 the net surplus of banks and deposit companies was reported to be increasing, thereby creating liquidity, a critical requirement for the Territory as it emerges from the recession. In order to assist in that process, the Bank of Bermuda has reportedly lowered the lending rate for businesses and individuals, a measure that would reduce debt service costs. 25/

D. International business

43. The contribution made by international companies to Bermuda's economy is as important to the economic welfare of the Territory as the income it derives from its main industry, tourism. With a decline in revenue from tourism during the past year, the Bermuda Government has focused its energy on ensuring that the Territory remains an attractive location for international companies and on increasing the contributions made by this sector to the economy of the Territory.

44. In its effort to ensure that a positive environment exists for retaining in and attracting international businesses to, Bermuda, the House of Assembly unanimously approved 58 amendments to the 1981 Companies Act. According to the Minister for Finance, that action was taken in order to ensure that Bermuda kept abreast of changes in international business so that the Territory could remain in the forefront of that business. 26/ In the Throne Speech, the Governor announced that, to assist Bermuda in maintaining its competitive edge as a financial centre, additional measures would be taken in the form of amendments to the Insurance Act, 1978, and the Stamp Duties Act, 1976. 5/

45. According to a report released in November 1992 entitled "International Companies 1991: Their Impact on the Economy of Bermuda", the number of international companies registered in Bermuda at the end of December 1991 was 7,089, an increase of 1.2 per cent over the 1990 figure. The overall increase

in foreign companies based in the Territory over the past 10 years was reported to be over 26 per cent. 27/

46. According to the same source, the trading activities of exempted and permit companies based in Bermuda contributed B$ 340 million to the local economy, a 7 per cent increase over 1990. In terms of employment, 1,909 persons, of whom 1,223 (64 per cent) were Bermudians, were directly employed by international firms at the end of 1991. The number of secondary jobs generated totalled 5,700, with a further 5,500 jobs being influenced by the tertiary effects of international company business activities. 27/

47. During the reporting period, the Premier announced the establishment of a Commission on Competitiveness mandated to seek ways to improve international business and tourism and to identify new business opportunities. The action was taken in the light of increased competition in offshore business and the threat of protectionist legislation in the United States. An international business sector committee was appointed to examine competition faced by the Territory, as well as the infrastructure of the Territory, legislation and protectionism both by Bermuda and other countries. 28/

48. In January 1993, the Minister for Labour and Home Affairs confirmed that, owing to the importance of international companies to the economy, changes had been made in immigration procedures in order to increase the Territory's attractiveness to international business. Formerly, international companies had been required to operate under the same immigration policies and procedures as those that control domestic operations. A relaxation of immigration procedures is expected to reduce bureaucratic and time-consuming immigration practices, provide concessions and accommodate international companies. 29/

E. Transport and communications

49. As stated previously (A/AC.109/1063, para. 49), the only airfield in Bermuda is located at the United States Naval Air Station and, since 1948, has been used for civilian purposes under an agreement between the Governments of the United States and the United Kingdom.

50. The Territory is served by six international airlines, namely, Air Canada, American Airlines, British Airways, Continental Airlines, Delta Airlines and USAir. Although it had been reported previously that American Airlines would suspend its New York-Bermuda service in the winter of 1992 as a cost-cutting measure (A/AC.109/1102, para. 52), a spokesman for that airline has subsequently announced that owing to a substantial improvement in the number of passengers travelling to the Territory, the airline would continue to provide service to the Territory during the winter months. 30/ It will be recalled that British Airways announced previously that it would reduce its service to the Territory (A/AC.109/1102, para. 52). In January 1993, press reports stated that United Airlines, another carrier serving the Territory, would suspend the service it provided between the United States and Bermuda. The suspension is expected to be compensated for, however, by a new USAir service from Boston. 31/

51. In May 1992, a new charter service for cargo began operating on a weekly basis between Bermuda and Florida. The company, Bermuda Air Charters Limited,

which is 66 per cent Bermudian-owned, was founded following the interruption of regular service by British Airways. The charter service began by transporting perishable goods into Bermuda from Florida; in subsequent months, it began exporting industrial goods bound for the Caribbean. It was reported that talks were under way to develop an outbound cargo service from Bermuda to Florida. 32/

52. Previous reports indicated that the Bermuda Chamber of Commerce had endorsed a proposal to establish a local air carrier (A/AC.109/1102, para. 53). According to subsequent reports, however, the proposed airline failed to receive the support of Bermuda's financial establishment which feared that British Airways would provide competition as long as it continued its service to Bermuda. It had been hoped that the local airline would link Europe and the Caribbean with Bermuda. Following failure of the plans to materialize, the Minister for Tourism announced that the Government was exploring other ways of increasing air service from Europe. 33/

53. In August 1992, Western Union Financial Services International, a United States company, introduced a service that would allow money to be transferred to Bermuda from 31 countries around the world. 34/

54. Communications links between Bermuda and the rest of the world are provided by Cable and Wireless (West Indies), Ltd. Services provided to business and residential users include international telephone and telex services; international data access services which allow subscribers to access computer databases overseas; electronic mail; international leased circuits which provide communication lines to customers with large volumes of voice and data traffic; live telecasting; and video-conferencing.

55. It was reported in June 1992 that the New York-based International Discount Telecommunications Corporation, a new facility offering companies in Bermuda toll-free telephone service from the United States, could provide a boost to tourism and international business. The company, which claimed to be serving more than 50 customers in Bermuda already, believed that its new service would increase the amount of business carried out by telephone. The system enables callers in the United States to telephone Bermuda toll-free, without paying the rate of a regular long-distance call. 35/

F. Tourism

56. In his Throne Speech of November 1992, the Governor stated that the territorial Government remained committed to the development of new tourist markets while ensuring that Bermuda's traditional markets were well served. The Governor added that work was under way to focus marketing efforts to ensure that the tourist industry remained competitive. The Government had continued its successful dialogue with the major hotel operators in Bermuda and had been encouraged by the joint initiatives that had resulted. In recognition of the need to maintain the primacy of hotels, the Government would continue, during 1993, with the duty advantage given to hotel refurbishment. 5/

57. According to data provided by the Department of Tourism to the press in January 1993, a total of 506,237 persons visited the Territory in 1992. Total arrivals declined by 1.7 per cent compared with 1991, with air arrivals down by

2.8 per cent to 374,497. Cruise-ship arrivals had increased, however, by 2.2 per cent to 131,006. The length of stay for all visitors decreased from 5.7 in 1991 to 5.6 nights in 1992. The Bermuda Hotel Association reported that in 1992, year-round occupancy was 54.9 per cent. 36/

58. In the light of continued poor tourism results and increased competition faced by the business sector, in March 1992, the Premier unveiled plans for a Commission on Competitiveness (see also para. 47). The Commission is comprised of various committees, including the Tourism Planning Team which examined Bermuda as a destination, its marketing programmes, the expectation of visitors and residents, the Territory's infrastructure and its transport system. 28/

59. Following a review of the industry, the most in-depth since the 1950s, the Tourism Planning Team for the Commission on Competitiveness reported that, in 1991: (a) tourism contributed B$ 454 million out of B$ 1 billion of the Territory's total receipts; (b) government revenue from tourism had remained stagnant at B$ 118 million, or 34 per cent of its total revenue for the past four years which, when inflation was taken into account, amounted to a real decline of 20 per cent; (c) foreign exchange receipts from tourism had declined by 20 per cent over the past four years; (d) air arrivals had declined by 21 per cent from 490,000 in 1980 to 386,000 in 1991; and (e) a mere B$ 3 million investment had been made in hotel construction over the past four years, a figure which excluded the Elbow Beach expansion project. The sum invested amounted to 1 per cent of total investment in construction in Bermuda at that time. 37/

60. The Tourism Planning Team estimated that the industry employed 4,600 persons, or 7.87 per cent of the population of Bermuda. Also, it revealed that more than 800 jobs, or some 20 per cent of the total workforce of the tourist industry, had been lost during the 1980s. 37/

61. It had been reported previously that the Government had reduced the number of cruise-ship visitors by limiting visiting ships to four per week. Following a petition by the Chamber of Commerce, talks were held between a government team and representatives of cruise-ship companies in the hope of easing restrictions governing the cruise-ship policy (A/AC.109/1102, para. 59). As a result, the Government announced in May 1992 that in 1994 it would exercise its option to allow a fifth cruise ship to visit weekly to provide regularly scheduled service to Bermuda. The decision, which proved controversial, was defended by the Minister for Tourism who stated in January 1993 that the Government recognized the important contribution of cruise-ship passengers to the economy. 38/

G. Shipping

62. Hamilton, the main port of Bermuda, offers modern facilities and docks which can accommodate 750 metres of berthing space and some 4,000 square metres of shed space. There is also a container park of 2.23 hectares and 322 kilometres of quay, in addition to two other modern port facilities. On the northern side of the island of St. George, Esso Bermuda operates an oil terminal. On Ireland Island, the United Kingdom Royal Navy operates and controls a large area of berthing space which is used by visiting warships and nuclear-powered submarines of the North Atlantic Treaty Organization (NATO).

63. The port of Hamilton is a port of British registry where ships have been registered since the 1790s and where a substantial number of ships have been registered in recent years. Under the Merchant Shipping Order of 1989, which affected all United Kingdom dependencies and dependent Territories, Bermuda was categorized as an A-1 unlimited tonnage registry.

64. It was reported in January 1993 that Bermudian-registered vessels have one of the best records in the world for delivering cargo safely. Registration numbers fluctuate, increasing to a peak of 111 ships and 4.4 million tons in 1989 from 57 ships and 691,000 tons in 1982. At present, 106 commercial ships weighing 3.5 million tons are registered in Bermuda; slightly fewer than 100 are active. No ship has had its Bermudian registry lifted for safety or other infractions since the power to lift registry was granted to the Government in 1979. 39/

65. The shipping registry plays an increasingly important role in the Territory's international business sector. Registration of ships results in direct and indirect employment in both the government and private sectors. It also provides substantial revenue to the Government. The increase in tonnage came about as a result of efforts by the Government of Bermuda to make the registry both reputable and competitive.

H. Agriculture and fisheries

66. In the Throne Speech, the Governor stated that there had been a marked improvement in Bermuda's fish stocks and that the Government's decision to eliminate the use of fish pots was taken in time to save that vital natural resource. 5/ The ban, which went into effect in 1990, was designed to preserve and protect reef fish which were increasingly being caught with fish pots. It was aimed, inter alia, at meeting a growing demand for fish when other species had been depleted. Reef fish help to keep corals alive and in good condition. 40/ The Government intended to continue its successful experimental lobster pot programme in 1993. 5/

67. A report of the Fisheries Department showed that prior to the ban, up to 68,040 kilograms of reef fish were being caught annually. In 1991, however, that amount declined to 40,199 kilograms. According to the Director for Agriculture and Fisheries, the decrease in reef fish landings was proof that the Government's fish pot ban was effective. The Fisheries Department also reported that most fishermen had gone back to the traditional fishing methods of hook-and-line and net fishing, fishing methods which do not lend themselves to the capture of reef fish. Catch and effort statistics for 1991 produced by the Fisheries Department also showed a 6 per cent decline in the overall fish catch, with a total of 425,426 kilograms of fish caught. 40/

68. In order to provide fishermen an incentive to move offshore for line fishing, the House of Assembly extended temporary diesel subsidies to commercial fishermen. The 1992 Commercial Fishing (Temporary Fuel Subsidy) Act, which gives a subsidy to full-time fishermen owning boats with diesel engines, was extended until the end of 1993. The Minister for Finance urged all eligible fishermen to take advantage of the subsidy. 41/

69. With regard to agriculture, although the climate of the Territory is conducive to agricultural development, the small amount of land available for this purpose (some 251 hectares) permits only small-scale farming. The system developed in the Territory is that of "small market gardening holdings", and growers normally sell their produce directly to the consumer. In some cases, however, the Government provides marketing assistance.

V. SOCIAL CONDITIONS

A. Environment

70. In the Throne Speech, the Governor stated that the Government's commitment to the preservation and enhancement of the environment had been clearly demonstrated in the past year and would be reinforced further in the coming year. The Comprehensive Waste Management Plan had been introduced and the Government would continue its efforts to persuade the entire community to participate in recycling and in the safe disposal of hazardous items. 5/

71. The Governor further stated that the preservation of Bermuda's water lens, the elimination of the Pembroke Dump and its conversion into a public park were essential. The Government had ensured that the output at the Tynes Bay incinerator would be monitored by an independent review body in order to protect the health of the people of Bermuda. Additionally, regulations under the Clean Air Act, 1991, would be introduced in Parliament in 1993. Those regulations would establish ambient air quality standards and further guarantee independent monitoring. 5/

72. In June 1992, a B$ 400,000 recycling facility was opened at Devon Springs. According to the Minister for Works and Engineering, the concept of recycling was developed following the export of 75 tons of tin in 1991, an amount which is expected to triple in 1993. 42/

73. During the period under review, the Bermuda Plan 1992, which will impose greater control on development and use of all land outside of Hamilton and military bases, was introduced in the House of Assembly. Its philosophy of sustainable development emphasizes conservation before development and stems from a survey which shows that the Territory is overdeveloped. According to the Minister for the Environment, Bermuda had over-committed land and resources for development purposes well beyond the level required to meet the needs of the community. The Government believed that the new Plan, which replaced the 1983 Development Plan, would greatly assist in protecting the fragile balance between preserving open space and permitting realistic development. 43/

B. Drug prevention

74. It was reported in March 1992 that drug seizures had decreased between 1990 and 1991 as follows: heroin, 403 grams to 202 grams; cocaine, 9,000 grams to 4,000 grams; and cannabis, 76 kilograms to 24 kilograms. 44/

75. In the Throne Speech, the Governor reiterated the determination of the Government to detect and apprehend drug traffickers; impose harsh sentences,

including the seizure of illegally acquired assets; provide rehabilitation, assistance and guidance to those in need; and encourage community involvement. 5/

76. According to the Governor, the National Drug Authority which is to be formally established by legislation in the near future, would form the spearhead of the Territory's attack on the use of illegal drugs and the abuse of legal drugs. 5/ It was reported in the press that prior to the establishment of the Authority, an interim steering committee would be involved in drafting a statement on the purpose and principles by which the Authority would operate. The Committee has reportedly formed task forces which include, inter alia, a medical insurance task force, a treatment rehabilitation and after-care task force and a criminal justice and interdiction task force. 45/

77. Following a recommendation made by Judge Stephen Tumim, Chief Inspector of Prisons in England and Wales (see para. 87), that the National Drug Strategy should be given the resources needed in order to enable it to function, it was reported that a B$ 1.2 million anti-drugs campaign aimed at treatment and prevention, would commence from 1 April 1993. Additionally, statistics of drug use and abuse in Bermuda, particularly among the youth, underscored the need to implement the National Drug Strategy. 46/

78. According to press reports, a programme aimed at helping school children to make wise choices, particularly about drugs, is to be implemented in all government primary schools in 1993. "Skills for Adolescents" has already been introduced in two secondary schools in Bermuda and, since its implementation, a substantial reduction in drug use among students has been reported. 28/

C. Labour

79. The 1991 census of population and housing revealed that between 1980 and 1991 unemployment increased from 2 per cent or 627 persons in 1980 to a record 6 per cent or 2,102 persons in 1991.

80. In the Throne Speech, the Governor acknowledged that the Territory was experiencing significant unemployment and stated that the Government was conscious of the concerns and fears of the people. 5/ In an endeavour to address the problem, the Premier appointed a Task Force on Employment in March 1992 with a mandate to study training and employment in Bermuda and to ensure that the Territory's work force, which relied heavily on foreign labour and expertise, was ready to meet the needs of the future. 47/

81. In November 1992, the Government announced its intention to review existing labour legislation, taking into account the recommendations of the Task Force on Employment. It also planned to introduce, in the House of Assembly, a new code of ethics for the work place, and pledged to redouble its efforts to promote a spirit of cooperation and trust in labour relations. 5/

82. The Minister for Labour and Home Affairs reported in November 1992 that 971 jobs had been lost as a result of the recession. According to the Minister, although the Territory had the capacity to retain a workforce of 35,000, the latter had been reduced to 33,650. In an effort to boost the workforce, the

Minister pledged to establish a much broader programme than the existing one of assisting employers and promoting the training of Bermudians. 48/

83. According to data released by the Ministry of Labour and Home Affairs, the number of foreign workers in Bermuda has declined by 40 per cent since 1989. The total number of "ordinary guest workers" decreased progressively from 10,114 in 1989 to 7,979 in 1990, and to 6,099 in 1991. Also, according to statistics obtained from the Department of Immigration, the number of work permit holders decreased from 6,227 in 1989 to 4,962 in 1990 and to 3,982 in 1991. 49/

84. According to a 1992 Manpower Survey tabled in the Senate in December 1992, Bermudians dominated almost all of the seven major job groups in the Territory. Out of a total workforce of 33,650, there were 26,358 Bermudians. The only categories of jobs in which non-Bermudians almost outnumbered Bermudians were those in the agriculture, fishery and animal husbandry sectors. Between August 1991 and 1992, 422 Bermudians and 421 non-Bermudians were employed in those fields. 50/

85. Press reports in July 1992 stated that no qualified Bermudian applicants were available to fill some 50 teachers' posts which were held by non-Bermudians. As a consequence, the contracts of 47 non-Bermudian teachers had been renewed for the 1992/93 school year. 9/

86. In July 1992, the Task Force on Employment invited to the Territory the International Labour Organisation regional adviser on employer activities in the Caribbean. It was expected that the adviser would share technical services and information with the Task Force. 51/

D. Criminal justice system

87. In the Throne Speech, the Governor announced the completion of a review of the criminal justice system which had been conducted by Judge Stephen Tumim, Chief Inspector of Prisons in England and Wales. 5/ Judge Tumim was charged with reviewing the criminal justice system and the primary legislation which affects prisons; reviewing the procedures and policies of the system and making recommendations for sentencing alternatives; investigating the perception that persons of different races and backgrounds were treated differently by the system; and reviewing the system with a view to recommending how the Territory could shift the emphasis from one of custody to one of correction. 52/

88. In the conclusions drawn from his review, Judge Tumim stated that Bermuda had an extraordinarily high number of persons in prison, with nearly half of them serving time for non-violent offences. Compared with the United Kingdom which had 96 non-violent offenders per 100,000 persons incarcerated, and the United States which had 426 per 100,000, Bermuda had 573 per 100,000 prisoners. 53/

89. Among Judge Tumim's observations was the common perception that persons of different races and backgrounds were treated differently by the system, owing to the disproportionate number of black persons in custody. Judge Tumim recommended that, in an attempt to address the problem, a race relations division with responsibility for dealing with racial issues should be

incorporated into the Human Rights Commission. Judge Tumim also recommended that a criminal justice committee, which would be responsible to Parliament, should be established to keep under review, and to make recommendations on, any issues that have an impact on the maintenance of a fair and impartial criminal justice system in Bermuda. 52/

E. Health and social services

90. Health services are provided by the Ministry of Health and Social Services. Medical care is also provided by private practitioners and three government health clinics. Fees are charged for hospital care, and medical insurance is compulsory for all workers. A hospital levy covers the cost of services rendered by the hospitals to children under 16 years of age, and indigent persons over 65 years of age pay 20 per cent of hospital costs.

91. In the Throne Speech, the Governor stated that the 1968 Mental Health Act had been reviewed and that amendments would be introduced in the House of Assembly in 1993. He added that the Government was committed to developing effective community mental health programmes and that a second group home for the mentally handicapped would be opened in 1993. 5/

92. In August 1992, the Minister for Health and Social Services reported that 5 per cent of Bermuda's prison population was known to be infected with the human immunodeficiency virus (HIV). 23/

93. In April 1992, an Information Officer for the Caribbean Epidemiology Centre (CAREC) visited the Territory to examine management techniques used by government agencies and the local media with regard to information and issues relating to acquired immune deficiency syndrome (AIDS). Following a meeting with the AIDS Task Force, the HIV Resource Team from the Ministry of Health and Social Services and the Government Information Services Director, the CAREC Information Officer observed that the mechanisms in Bermuda for the AIDS support system were good. It was expected that the Officer would report to CAREC on the areas in which Bermuda needed technical assistance in order to upgrade its AIDS services. 54/

VI. EDUCATIONAL CONDITIONS

94. Education is free and compulsory for all children between 5 and 16 years of age. The literacy rate in the Territory is 98 per cent. The teacher-to-pupil ratio for government schools is 1 to 20 in primary schools and 1 to 12 in secondary schools.

95. In the Throne Speech, the Governor declared that plans for education reform were well under way and would be supported by the introduction of a new Education Act. 5/ According to the Minister for Education, the new Act which would replace the 1954 Education Act, would spell out the newly planned school system reforms. 55/

96. The Minister for Education further stated that the Government planned to restructure the entire public school system by September 1995. The reforms

would to include dispensing with most public secondary schools, creating five middle schools and two senior secondary schools and integrating special students into regular schools. 55/

97. In his report on the criminal justice system (see para. 87), Judge Tumim stated that although there was much to applaud in Bermuda's educational system, his review team had heard evidence that a disproportionate number of students from four secondary schools, two of which have since been closed, had become involved in delinquency and crime. He continued by stating "we are inclined to question the contribution the educational system is inadvertently making to crime statistics in Bermuda". Judge Tumim strongly supported the proposal to restructure the educational system and establish neighbourhood middle schools which would address the problems caused by the selective secondary school system. 56/

98. In January 1993, following opposition by the public, the Minister for Education reversed a decision to eliminate B$ 2.2 million from the budget of the Ministry of Education over the next financial year. The budget cuts, which represented 4.7 per cent of the Ministry's B$ 46 million budget, would have entailed the elimination of 25 teachers' posts. 57/

99. In his speech in November, the Governor stated that the Bermuda College, in association with other international, tertiary educational institutions, would expand its role by offering degrees in international hospitality and tourism management, as well as insurance and risk management. 5/

100. During the period under review, the Centre for Tourism Research and Innovation of the Bermuda College was officially opened. Objectives of the Centre include conducting research leading to the creation of a tourism crisis management plan for Bermuda; identifying and analysing tourism policy issues of relevance to Bermuda; and exploring the feasibility of establishing a world trade centre in Bermuda. 58/

Notes

1/ The information contained in this paper has been derived from published reports and from information transmitted to the Secretary-General on 26 June and 23 July 1992 by the Government of the United Kingdom of Great Britain and Northern Ireland under Article 73 e of the Charter of the United Nations.

2/ The Royal Gazette (Hamilton), 21 April 1992.

3/ Ibid., 14 April 1992.

4/ Ibid., 25 August 1992.

5/ Ibid., 7 November 1992.

6/ Ibid., 3 September 1992.

7/ Ibid., 14 November 1992.

8/ Ibid., 17 November 1992.

9/ Ibid., 6 July 1992.

10/ Ibid., 14 and 15 June 1988.

11/ Ibid., 1 May 1992.

12/ A/C.4/47/SR.5, para. 50.

13/ Ibid., 15 April 1992.

14/ Ibid., 13 January 1993.

15/ Ibid., 14 August 1992.

16/ Ibid., 6 November 1992.

17/ One Bermuda dollar (B$ 1.00) is equivalent to one United States dollar (US$ 1.00).

18/ The Royal Gazette (Hamilton), 16 June 1992.

19/ Ibid., 27 April 1992.

20/ Ibid., 2 January 1993.

21/ Ibid., 8 December 1992.

22/ Ibid., 19 November and 12 December 1992.

23/ Ibid., 6 August 1992.

24/ Ibid., 7 August 1992.

25/ Ibid., 7 August and 4 September 1992.

26/ Ibid., 18 June 1992.

27/ Ibid., 24 November 1992.

28/ Ibid., 27 March 1992.

29/ Ibid., 23 January 1993.

30/ Ibid., 15 January 1993.

31/ Ibid., 27 January 1993.

32/ Ibid., 16 April, 12 May and 30 June 1992.

33/ Ibid., 8 April 1992.

34/ Ibid., 27 August 1992.

35/ Ibid., 12 June 1992.

36/ Ibid., 22 January 1993.

37/ Ibid., 12 January 1993.

38/ Ibid., 2 May 1992 and 25 January 1993.

39/ Ibid., 11 January 1993.

40/ Ibid., 7 July 1992.

41/ Ibid., 14 December 1992.

42/ Bermuda Sun, 19 June 1992.

43/ The Royal Gazette (Hamilton), 3 July 1992.

44/ Ibid., 12 March 1992.

45/ Ibid., 22 July 1992.

46/ Ibid., 28 May 1992 and 12 January 1993.

47/ Ibid., 20 March and 29 April 1992.

48/ Ibid., 27 November 1992.

49/ Ibid., 10 March 1992.

50/ Ibid., 17 December 1992.

51/ Ibid., 18 July 1992.

52/ Ibid., 8 January 1993.

53/ Ibid., 24 July 1992.

54/ Ibid., 11 April 1992.

55/ Ibid., 9 November 1992.

56/ Ibid., 28 January 1993.

57/ Ibid., 21 January 1993; see also Bermuda Sun, 31 December 1992.

58/ The Royal Gazette (Hamilton), 1 March 1992.